

Fiscal Estimate - 2009 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 09-4259/1		Introduction Number AB-0757	
Description Food processing plant and food warehouse investment tax credit, requiring the exercise of rule-making authority, and making an appropriation			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.143 (1) (a)			
Agency/Prepared By		Authorized Signature	Date
COMM/ Julie Keal (608) 266-6748		Louie Cornelius (608) 266-8629	3/11/2010

Fiscal Estimate Narratives
COMM 3/11/2010

LRB Number	09-4259/1	Introduction Number	AB-0757	Estimate Type	Original
Description Food processing plant and food warehouse investment tax credit, requiring the exercise of rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates the Food Processing Plant and Food Warehouse Investment Tax Credit program. It does not limit the number of businesses that the department may designate, but it does limit the amount of tax credits that the department may allocate to businesses to \$600,000 in FY10 and \$700,000 in fiscal years thereafter. The department's responsibilities are as follows:

1. Certify taxpayers to claim tax benefits and allocate to each business the amount of tax credits it may claim. The department shall notify the Department of Revenue of all persons that it certifies and of the amount of tax credits it allocates to each person.
2. Verify claims for tax credits. To do this, the department must certify as eligible expenditures of each certified business. Eligible expenditures include expenditures for equipment that is used exclusively to harvest or process woody biomass that is used as fuel or as a component of fuel.

The department will require one position to administer and write rules for this program. The costs of this position will be as follows.

Salary \$44,900
Fringe \$20,500
Supplies \$ 8,000

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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LRB Number 09-4259/1	Introduction Number AB-0757
Description Food processing plant and food warehouse investment tax credit, requiring the exercise of rule-making authority, and making an appropriation	
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):	
II. Annualized Costs:	
	Annualized Fiscal Impact on funds from:
	Increased Costs Decreased Costs
A. State Costs by Category	
State Operations - Salaries and Fringes	\$65,400
(FTE Position Changes)	(1.0 FTE)
State Operations - Other Costs	8,000
Local Assistance	
Aids to Individuals or Organizations	
TOTAL State Costs by Category	\$73,400
B. State Costs by Source of Funds	
GPR	73,400
FED	
PRO/PRS	
SEG/SEG-S	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	
	Increased Rev Decreased Rev
GPR Taxes	\$
GPR Earned	
FED	
PRO/PRS	
SEG/SEG-S	
TOTAL State Revenues	\$
NET ANNUALIZED FISCAL IMPACT	
	State Local
NET CHANGE IN COSTS	\$73,400
NET CHANGE IN REVENUE	\$
Agency/Prepared By	
COMM/ Julie Keal (608) 266-6748	Authorized Signature
	Louie Cornelius (608) 266-8629
	Date
	3/11/2010

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Description Food processing plant and food warehouse investment tax credit, requiring the exercise of rule-making authority, and making an appropriation	
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap; padding: 5px;"> <div style="width: 33%;"> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Create New Appropriations </div> <div style="width: 33%;"> <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues </div> <div style="width: 33%;"> <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs </div> </div> Local: <div style="display: flex; flex-wrap: wrap; padding: 5px;"> <div style="width: 33%;"> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory </div> <div style="width: 33%;"> 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts </div> </div>	
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Agency/Prepared By DOR/ Michael Oakleaf (608) 261-5173	<div style="display: flex; justify-content: space-between;"> <div> Authorized Signature Paul Ziegler (608) 266-5773 </div> <div> Date 2/24/2010 </div> </div>

Fiscal Estimate Narratives

DOR 2/24/2010

LRB Number	09-4259/1	Introduction Number	AB-0757	Estimate Type	Original
Description Food processing plant and food warehouse investment tax credit, requiring the exercise of rule-making authority, and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

For taxable years starting after December 31, 2009 and before January 1, 2017, the bill creates a refundable income and franchise tax credit equal to 10% of the amount that a claimant pays in the taxable year for food processing plant and food warehouse modernization or expansion related to the claimant's food processing operation. Credit amounts are allocated by the Department of Commerce. The maximum amount of credit that may be allocated by the Department of Commerce in FY 2010 is \$600,000, and the maximum amount of credit that may be allocated in fiscal year 2011 through 2017 is \$700,000 in each fiscal year. The maximum aggregate amount for all years that a claimant may claim is \$200,000.

According to the U.S. Census Bureau's Annual Survey of Manufacturers, in 2006 (the most recent year available) food manufacturers in Wisconsin spent \$623 million on capital expenditures. Based on this, it is assumed that applications for the credit will exceed the annual maximum. Therefore the fiscal effect is estimated to be a \$600,000 in FY 2010 and \$700,000 in fiscal years 2011 through 2017, the maximum credit amount allowed under the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations	700,000	
TOTAL State Costs by Category	\$700,000	\$
B. State Costs by Source of Funds		
GPR	700,000	
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$700,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
DOR/ Michael Oakleaf (608) 261-5173		2/24/2010
Paul Ziegler (608) 266-5773		